

The Hamilton Harbour Commissioners Annual Report 1978

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1978 Annual Report

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1978 Annual Report

Chairman's Report



John L. Agro, Q.C.

The task before me, as I sit down to write these remarks for the Hamilton Harbour Commissioners' 1978 Annual Report, is especially gratifying. The reason? Last year was a year of records for the Port of Hamilton.

During 1978, the Port handled an impressive 13,142,732 metric tons of cargo compared with 12,126,826 metric tons in 1977. The year also saw the single largest steel shipment handled by the Port of Hamilton, and the docking here of the largest vessel ever to visit the Great Lakes. Many other events combined to maintain the momentum of this year of distinction. One particularly worthy of mention is the shipment last spring of automobile components to Venezuela. This was the first shipment from Hamilton under the Auto-Pact between Canada and Venezuela, and represented quite a breakthrough for our Port.

The Harbour's advancement in 1978 is reflected in our revenue for the year. Our financial statement indicates that we have met the challenge of stiff competition, the incursion of escalating costs, and achieved a healthy profit position during 1978. In fact, another record.

It is dangerous to make predictions, but there is every hope at this time that we shall further solidify our position in 1979.

Many people do not realize, as

they take their daily drive over the Skyway Bridge, the significance of Hamilton Harbour in their lives. We are a key Canadian port with responsibilities not only to this area but the whole country. The Port of Hamilton is a strategically located centre for international as well as domestic trading. And it was to enhance our competitiveness and capabilities that, as I reported a year ago, we launched two projects of major significance: the development of Piers 25, 26 and 27 on the Harbour side of the beach strip, and the reconstruction, enlargement and deepening of Piers 12 and 13 at Wentworth Street. Stages 1 and 2 of the latter project have been completed and a design contract for Stage 3 awarded to Swan-Wooster Consulting Engineers of St. Catharines. The Land Use Plan for the detailed development of Piers 25, 26 and 27 was awarded to Fenco Engineering Consultants of Toronto, who are proceeding with the complex study that precedes a project of such magnitude.

In a move to fix the guidelines for future demands on the Port, with emphasis placed on the increasingly valuable role of the Port in the community, the Commissioners absorbed the above-mentioned projects into an overall Port Master Plan which we unveiled in June 1978. The town planning and development consulting

division of the Planistics Group was responsible for preparing our plan. Embodied in the plan will be our policy of 'Harbour Improvement for the Benefit of All'. Also incorporated will be the development of the Harbour for marine trading purposes and as an economic and recreational resource for local citizens. The scheme embraces two main concepts: the East Port Concept which is aimed at meeting the changing needs of marine traffic, creating a commercial and industrial complex and providing improved access to major rail and road networks; and the West Port Concept at Centennial Pier including marine supply stores and service areas, restaurants, boutiques, picnic and barbeque areas plus docking facilities for pleasure boaters.

Last year was a busy one for the Port of Hamilton and it is appropriate to thank my colleagues, Commissioners B. M. Alway and P. T. Flaherty for their outstanding efforts. Their guidance, support and unfailing loyalty to the Hamilton Harbour Commission contributed significantly to our year of record achievements.

A factor of great importance to potential users of a port, is that port's reliability of performance. Therefore stability of labour relations is vital. I am pleased to report that our record at the Port of Hamilton is excellent and a contract with the International Longshoremen's Associa-



P. T. Flaherty

B. M. Alway

tion, signed last year, offers three more years of the smooth operations that are an integral part of any healthy port. And a healthy port means we can offer a greater mix of balanced benefits to the community.

In September of last year, Hamilton's first major industrial equipment exhibition was held in the Harbour's Centennial Terminal. The show was the fourth largest of its kind in Canada and proved very successful. Many of the 186 exhibitors were from this area and the event not only provided actual sales but also cast a spotlight on Hamilton as an important international industrial centre.

As I mentioned earlier, besides developing the Port for ship-

ping we are also developing it for recreational purposes. Work is going ahead on shoreline beautification, siting of parks and extension of our Sailing School program. All these improvements are being discussed in an atmosphere of mutual cooperation with the City of Hamilton and the Regional Municipality of Hamilton-Wentworth, to ensure the structured growth of an integrated community realizing optimum socio-economic performance.

During 1978 the Port of Hamilton Spill Control Group, under the auspices of the Harbour Commissioners, arranged and participated in a simulated oil spill exercise in Lake Erie at Nanticoke. Such exercises have much practical benefit and are indicative of the concern for the environment shared by the Commissioners and the companies who form the spill control group.

As part of our aim to play an expanding role in the community, we implemented a Harbour Awareness Project running from May to September 1978 funded by the Federal Government. The number of visitors touring our facilities during that period and learning more about our activities, exceeded those for the same period in 1977 by 155 percent. Our total for the year was up 92 percent. And 2,000 passengers enjoyed cruises on our yacht M/V Seaport. Other promotional activities included



Centennial Pier Park

going out into the community with displays and exhibits in shopping malls, banks and at various shows. The interest of many local residents was aroused by a visit to the Harbour in July by HMCS Saguenay. This helicopter-carrying destroyer docked in our port and allowed tours by the general public.

All these activities are part of making reality of the belief that Hamilton Harbour should be made even more accessible to the community. Nowhere is this better exemplified than in the activities of our Sailing School. In 1978 the School saw its most active and successful year, serving 30 percent more people

at 20 percent less cost than the previous year. It is to the School's credit that an unblemished safety record was enjoyed through well over 12,000 student hours spent on the water. Courses cater to adults and children, with special emphasis on providing the opportunity to sail for young people in the City who would never normally have that opportunity. Enrollment occurs from such bodies as youth groups of the United Appeal, Boy Scouts, Girl Guides, Welcome Inn, Big Brothers and the City Recreation Department. And during 1978 experimental work was carried out testing the feasibility of sailing courses for the physically handicap-

ped. There is much valuable work to be done in that area.

Finally, I wish to offer my thanks and sincere appreciation to our Port Director, Earl Perkins and his excellent staff whose efforts contributed to our record year, and whose enthusiasm is already turned to the year ahead. We are all working towards the day when the feelings of the whole community towards Hamilton Harbour, are epitomized by the words of our Sailing School's first paraplegic sailor — "It has made my existence richer."

John L. Agro, Q.C.
Chairman
Hamilton Harbour Commissioners

The Hamilton Harbour Commissioners Financial

Balance Sheet as

AUDITORS' REPORT

We have examined the balance sheet of The Hamilton Harbour Commissioners as at December 31, 1978 and the statements of revenue and expenses, general capital and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Hamilton Harbour Commissioners as at December 31, 1978, and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Hamilton, Ontario.
March 2, 1979.

MACGILLIVRAY & CO.
Chartered Accountants.

ASSETS

CURRENT

Cash	\$	101,397	
Accounts receivable		933,863	
Accrued interest receivable		52,382	
Inventory		45,025	
Prepaid expenses		40,554	\$ 1,173,221

INVESTMENTS APPROPRIATED FOR FUTURE HARBOUR IMPROVEMENTS (note 3)

2,800,000

DEFERRED ACCOUNTS RECEIVABLE

27,231

LAND, DOCKS AND HARBOUR IMPROVEMENTS

17,889,774	
Less accumulated depreciation	4,804,631
	13,085,143

CAPITAL DEVELOPMENT IN PROGRESS (note 3)

2,607,060

OTHER FIXED ASSETS

Buildings	5,736,917	
Equipment and vessels	2,389,312	
	8,126,229	
Less accumulated depreciation	5,974,484	2,151,745
		<u>\$21,844,400</u>

Notes to Financial Statements 1. ACCOUNTING POLICIES

(a) Pensions —

The unfunded obligation for pensions based upon a valuation carried out in 1977, was estimated at \$ 71,888. This obligation is being paid by instalments and charged to operations over a five year period ending in 1981. This liability has been reduced at December 31, 1978 to \$ 37,288.

(b) Fixed Assets and Depreciation —

Fixed assets are recorded at acquisition cost. Depreciation is provided on a straight-line basis at the following rates:

Docks and improvements — 2%, 5%, 10%, 20%

Buildings — 2½%, 5%, 10%, 20%

Vessels and equipment — 10%, 15%, 20%

(c) Inventory — Inventory is recorded at actual cost.

2. CONTINGENT LIABILITIES

A legal action has been instituted against the Commissioners by Samuel and Sheridan Lax in the total amount of \$ 35,000,000. This action is being defended. It is not possible to determine whether the Commissioners will incur any future liability as a

result of this suit.

The City of Hamilton has charged the Hamilton Harbour Commissioners' properties provided for in the Assessment Act, to determine whether the Commission suit.

3. APPROPRIATION FOR FUTURE HARBOUR IMPROVEMENTS
These funds are intended for the development of the harbour.

Statements For The Year Ended December 31, 1978

December 31, 1978

LIABILITIES			
payable and accrued			
s	\$ 318,405		
portion of debenture			
n payable	156,242	\$ 474,647	
1			
ures payable — (note 4)			
overnment of Canada,			
% to be redeemed			
re the year 2005	\$ 1,075,00		
ss principal due			
in 1979	50,000	1,025,000	
e — (note 4)			
ent of Canada, due			
ber 31, 1987, semi-			
instalments of			
d principal and			
%	559,431		
%	571,014		
	1,130,445		
principal due			
1979	106,242	1,024,203	2,049,203
			2,523,850
CAPITAL			
CAPITAL		16,520,550	
N FOR FUTURE			
R IMPROVEMENTS			
	2,800,000	19,320,550	
		\$21,844,400	

STATEMENT OF GENERAL CAPITAL			
GENERAL CAPITAL — BEGINNING OF YEAR			\$15,907,521
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR			126,086
GRANTS RECEIVED DURING THE YEAR			16,033,607
Government of Canada	\$ 474,102		
Other	12,841		486,943
GENERAL CAPITAL — END OF YEAR			\$16,520,550
OPERATING STATEMENT			
REVENUE			
Terminal income	\$ 1,173,364		
Harbour operations	762,760		
Marine dockyard income	598,941		
Rental income	1,289,899		
Other income	394,148		\$ 4,219,112
EXPENSES			
Operating salaries, wages and direct costs	2,168,017		
Insurance — fire and general	112,559		
Administration, office and general expenses	712,121		
Debenture and loan interest	116,021		
Contribution to employees' pension, group and medical insurance	251,705		
Depreciation	732,603		4,093,026
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR			\$ 126,086

be developed over the next five years at an estimated cost of \$ 8,200,000.

In the courts the exemption of Hamilton municipal assessment and taxation, as action is being defended. It is not possible to incur any future liability as a result of this

OUR IMPROVEMENTS
ent of piers 12/13 and 25/27, which are to

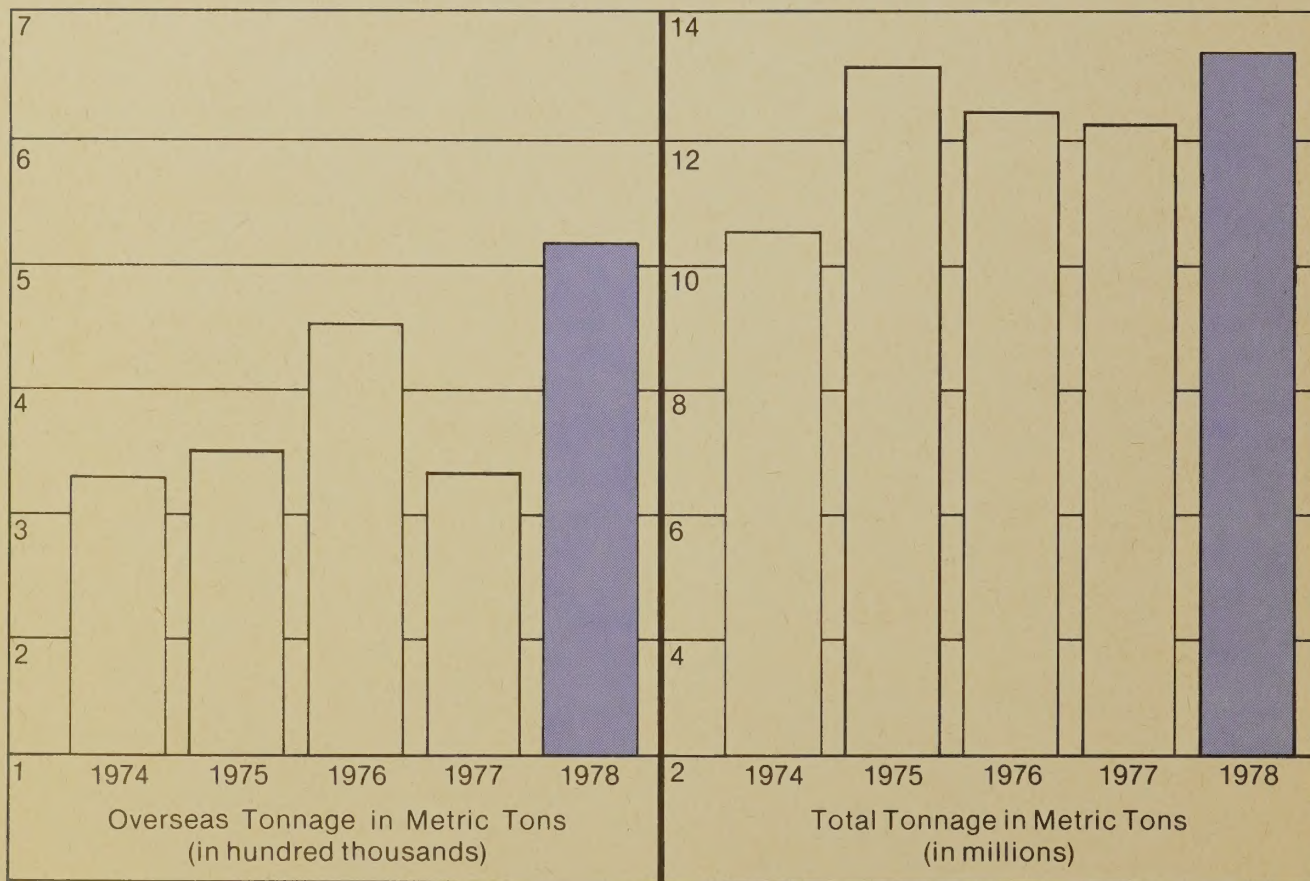
Bank deposit receipts	\$ 800,000
Government treasury bills	1,999,756
Cash in bank	244
	\$ 2,800,000

4. LONG-TERM DEBT

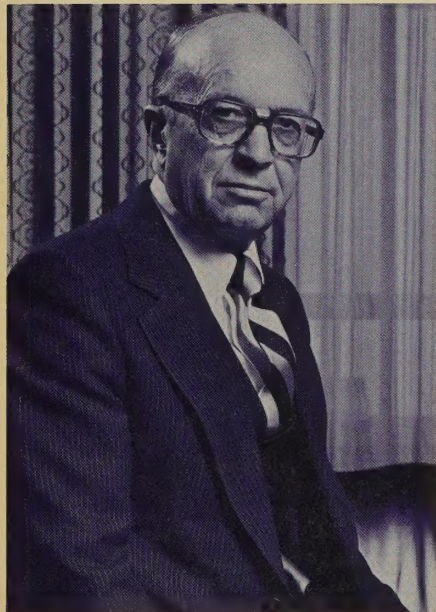
The aggregate amount of repayments due within the next five years is as follows:

	Debentures	Loan Payable
1979	\$ 50,000	\$ 106,242
1980	50,000	112,507
1981	\$ 50,000	119,143
1982	50,000	126,171
1983	50,000	133,613

Highest Tonnage Figures Ever!



Port Director's Report



E. M. Perkins

The Port of Hamilton is one of eight major Canadian ports. The 1978 tonnage and revenue figures show this port to be one of the most efficient and successful. Total tonnage handled was 13,142,732 metric tons, an increase of 8.38 percent over last year and a new record for the Port of Hamilton. This comprised 12,632,732 metric tons domestic and U.S. cargo; and 510,000 metric tons of overseas cargo — an increase of over 50 percent on 1977 — indicating Hamilton's emergence as a centre for international trading.

In 1978 a total of 847 vessels visited the Port, 47 more than in 1977. They included the 'Federal Clyde' a Korean vessel with a deadweight of 36,000 tons and a freshwater draft of 32 feet when fully loaded — the largest vessel to visit the Great Lakes. The trip from Australia to Hamilton was the vessel's first commercial voyage. After having its mast topped to clear the 120-foot high Skyway Bridge, the 'Federal Clyde' left with 25,000 tons of coke breeze bound for European ports.

Successful businesses move with the times and the Port of Hamilton is no exception. In September 1978 the Commissioners approved the purchase of a new piece of container handling equipment. Careful consideration resulted in this purchase of a lift truck with forks. The future holds greatly increased traffic

in 40-foot containers; this new equipment can lift and stack them three high and has removable upper lifting gear to permit use as a regular fork lift truck. Its versatility will greatly improve handling efficiency and is a significant weapon in the battle to remain competitive.

During October 1978 a strike by ships' operators occurred. This could have held serious repercussions for the Port of Hamilton including a significant loss of traffic and hence revenue. Fortunately the strike lasted only nine days and the effect on the Port was minimal. The Port's own labour relations appear very stable at this time. In June 1978 the Commissioners signed a new labour contract with Locals 1654 and 1879 of the International Longshoremen's Association (ILA). The contract complies with Anti-Inflation Board guidelines and extends for a three year period. A similar agreement covering the same period was reached between the ILA and the Maritime Employers' Association, thus ensuring labour stability for the terminal and overseas operations.

In February 1978 the Hamilton Harbour Commissioners acquired a 'Scoot' for rescue work, primarily in winter. The Scoot is a version of the Everglades Airboat used in Florida, modified to suit Canadian winter conditions. This machine operates over open water, snow or as little as 1 inch

of ice and, more importantly, can be driven straight from one to another. It is a valuable addition.

The Harbour's face is changing and it is going to change even more. The Commissioners launched a Port Master Plan in June 1978, which is aimed at moving into the next two decades with extensive facilities accommodating a variety of activities for the surrounding region. These activities will be of both an industrial/commercial and recreational nature. The plan also embraces the two major projects mentioned in the 1977 Annual Report: development programs for Piers 12 and 13; and Piers 25, 26 and 27 on the beach strip. These programs were initiated to keep pace with evolving shipping technology that demands more sophisticated facilities and extensive back-up areas. They include channel draft deepening to allow overseas vessels access to all areas of the Port, and the provision of much needed storage space for dry and liquid bulk and steel commodities.

Piers 12 and 13

This project includes the redevelopment of Piers 12 and 13 at Wilfred Street, and involves demolition of the now derelict Pier 13, widening the Wentworth Street slip, closing off Wilfred Street slip and reconstructing the north face of Pier 12. When complete, the area will offer 2,100 feet of new seaway draft ber-

thage, and accommodate bulk commodities with provision for container traffic, roll-on roll-off, stern loaders and bow loaders.

Stage One of the project is complete and at the close of 1978, the second stage of construction was 75 percent complete. Stage Three involves the construction of an 800-foot berth which should be ready for the 1980 shipping season. Final completion of the entire seven stage development is targeted for 1983.

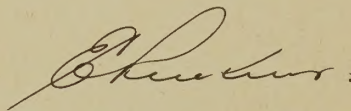
Piers 25, 26 and 27

This ambitious project is the object of a detailed development study by engineering consultants. The study began in 1978, preparing a plan for the orderly development of the harbour side of the beach strip from raw land into active shipping piers plus related industrial sites. The work carried out in 1978 involved surcharging and berm strengthening around the Pier 27 dredging disposal site. Final details will become available early in 1979 as to the scheduling of the 20-year program to develop marine-oriented industrial sites in proximity to the piers. The program is far-reaching and includes piers and industrial lots, landscaping and building design, routing of roads and essential services.

These two projects reaffirm the Commissioners' determination to take the Port of Hamilton into the 21st. century as a thriving and viable

economic force, contributing increasingly to the well-being of the community.

The Port of Hamilton stands on the threshold of a new year offering challenge and excitement, with the impetus of a highly successful year's trading behind it. The Port's Trade and Development Department has been successful in securing new 'project cargo' for Hamilton and this, coupled with established trading ties and the excellent work of all Port personnel, should lead to another meritorious year for the Port of Hamilton.



Earl Perkins
Port Director

Commissioners:

John Agro Q.C., Chairman
Peter Flaherty
Mowbray Alway

Administrative Personnel:

Earl M. Perkins
Port Director

Clinton G. Furry
Secretary to the Commissioners

Morten K. Helseth
Director of Terminals
and Harbour Master

Robert Hennessy
Port Engineer

Robert Edwards
Project Engineer

Fred T. Rose
Manager, Trade and Development

Graham H. Pilling
Superintendent, Marine Dockyard

Ian Noble
Superintendent, Buildings

Linda McMillan
Public Relations

Howard Sager
Deputy Harbour Master

Frank D. Smith
Chief Harbour Police



The Hamilton Harbour Commissioners

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